REMARKS

Claims 1 - 23 remain in this application. Claims 1-15 and 19-20 were amended. Claims 24-38 were added. Reconsideration in light of the remarks and amendments made herein is respectfully requested.

Claim 3 is amended as discussed below and further to correct a simple error regarding the detector coupling. No narrowing is intended by the correction of this coupling error.

Claim Rejections under 35 U.S.C. 101

The Office Action rejected 1-10 and 12-15 under 35 U.S.C. § 101. Applicant amended the claims in accordance with the Examiner's suggestions. Applicant respectfully requests that the rejection be withdrawn.

Claim Rejections under 35 U.S.C. §103(a)

The Office Action rejected claims 1-3, 5-12, 14-16, 18-21 and 23 under 35 U.S.C. §103(a) as being unpatentable over *Rauber et al.* (U.S. Pat. No. 6,182,053) in view of *Woolston et al.* (U.S. Pat. No. 5,845,265).

Applicant respectfully traverses.

Rauber is directed to a method and apparatus for managing inventory in a distressed inventory warehouse (abstract). Rauber uses a barcode scanner 16 that communicates with a host computer 12 to scan and enter "machine-readable inventory labels" (col. 5, lines 9-27). "Each inventory label preferably includes a machine-readable code that identifies or is associated with its respective inventory data record" (col. 7, lines 45-48). Rauber describes an inventory management method where the inventory is first received in the warehouse, unloaded, and sorted into several categories that determine how the freight will be managed (col. 6, lines 44-50). To identify the freight, the operator scans a freight bill, if available, or enters the freight bill information manually into the host computer 12 (col. 7, lines 18-23).

Woolston is directed to a method and apparatus for creating a computerized market for used and collectible goods by use of a plurality of low cost posting terminals (abstract). A user posts an image of a good for consignment using digital camera 12 (col. 4, lines 17-21). The user utilizes a

posting terminal 700 with graphical user interface that illustrates the item 920 and provides a description of the item 922.

Independent Claim 1

Independent Claim 1 specifically recites a computer-readable medium comprising:

- [1] an object identifier, such object identifier representing one or more goods in production, inventory and shipment;
- [2] a <u>first object location</u> and a <u>time monitored at such location</u>, provided by a detector coupled to the console processing unit; and
- [3] a <u>second object location</u> and a <u>time monitored at such location</u>, provided by a sensor coupled to the console processing unit;
- [4] wherein an access means processes the computer-readable medium securely using a digital certificate, watermark or encryption key, such that the computer-readable medium is accessible for object-monitoring from only one or more specified network site or processor, the computer-readable medium being provided automatically using control software for network surveillance in response to a user search query, the software comprising a network and data communication module, an object and map database, an object movement processing module, a security management module, an electronic transaction processing module, a diagnosis tool, a performance report updater module, and a visual object analyzer module comprising a neural network or simulation program for recognizing adaptively one or more identified goods for real-time tracking of multiple goods movement, whereby such modules are functionally integrated to enable surveillance-based commercial transaction using the computer-readable medium.

Rauber does not disclose, teach or suggest a "first object location and a time monitored at such location." Furthermore, Rauber fails to disclose, teach or suggest a "second object location and a time monitored at such location." The Examiner contends that "the warehouse obviously have a detector for detecting the first object" and "the retail store would obviously have scanner for scanning the second object" (Office Action, pgs. 4-5). Applicants respectfully traverses.

First, the claim elements "first object location" and "second object location" are directed to the <u>location</u> of the same object. The Examiner erroneously interpreted the claim elements to refer to a first object and a second object. Second, the object is "time monitored at such location." The Examiner incorrectly identifies "retail store 220" and steps 212-218 of *Rauber*'s FIG. 2 for time monitoring at a first and second location; however, Examiner failed to explain how Warehouse 212,

Warehouse invoicing 214, bid sale and invoicing 216, loadout 218 and retail store 220 provide the recited claim limitation of "time monitored at such location."

Rauber also fails to disclose, teach or suggest a "control software for network surveillance in response to a user search query." The Examiner contends that *Rauber* (col. 8, lines 29-44) discloses the recited claim term. Applicants respectfully traverses.

The identified section in *Rauber* describes a method for marking down the price of an item from a distressed inventory (col. 8, lines 1-4 and 29-44). *Rauber* suggests a method that "allows the operator to call up a pricing history for the inventory that lists the prices at which similar or identical pieces of inventory were sold to aid in the markdown pricing decision" (col. 8, lines 41-44). While *Rauber* teaches of a method "to call up a pricing history," such method only lists the prices of "the inventory," but does not perform a search query that actuates the control software to perform network surveillance of <u>an object</u>. *Rauber* does not disclose, teach or suggest "network surveillance" of an object. In fact, the word "surveillance" was never used in *Rauber*. Hence, the "control software for network surveillance in response to a user search query" of independent claim 1 is patentably distinct from *Rauber* (col. 8, lines 29-44).

Rauber also fails to disclose, teach or suggest an "object and map database." The Examiner contends that Rauber (col. 7, lines 30-36) discloses the "object and map database." Applicants respectfully traverses.

As explained in Applicants' specification, the "[o]bject and map database structure 162 functions to determine and store each monitored <u>object representation</u>" (para. [0065]). In one embodiment, the "stored object data is maintained in dynamically or simultaneously accessible and updatable database format such that multiple object and object related information (e.g., movement, condition, billing, etc.) may be read and processed by more than one object processing instance or process" (para. [0066]). In contrast, the identified section in *Rauber* describes a computer program that "prompts the operator to enter the <u>location</u> within the distressed inventory warehouse where the inventory will be initially stored before it proceeds through further stages of the inventory management method" (col. 7, lines 30-34). Hence, *Rauber* does not store each monitored object representation.

Rauber also fails to disclose, teach or suggest a "diagnosis tool." The Examiner contends that Rauber (504 of fig. 5) discloses the "diagnosis tool." Applicants respectfully traverses.

An example of a diagnosis tool 166 is provided in Applicants' specification. This example "functions generally to obtain and analyze integrated system status as well as object monitored data" (para. [0091]). The diagnosis tool 166 "may adaptively provide positional or directional functionality generally to alert authorities or other interested parties when undesirable object or movement is monitored" (para. [0092). The diagnosis tool 166 "may programmably simulate expected object behavior. Simulation may logically, functionally or behaviorally model movement, or other monitored activity, based on interpolated values between actual detected values, or extrapolating further movement in time, for example, according to actual historical detected values of object movement" (para. [0093]).

Rauber describes Step 504 as "list sale options and prompt selection" (FIG. 5). The Examiner failed to explain how this step of listing sale options and prompt selection is even remotely related to the diagnosis tool 166 as recited in claim 1. This step does not obtain and analyze object monitored data, nor does it programmably simulate expected object behavior. Furthermore, step 504 does not adaptively provide positional or directional information on undesirable object or movement monitored. Hence, the "diagnosis tool" of independent claim 1 is patentably distinct from step 504 of *Rauber*.

Rauber also fails to disclose, teach or suggest a "visual analyzer module." The Examiner contends that *Rauber* (col. 8, lines 62-67) discloses the "visual analyzer module." Applicants respectfully traverses.

An example of a visual analyzer module 168 is provided in Applicants' specification. This example "functions programmably to process, preferably in multi-dimensions, digital image or video information to attempt to recognize, store, compare, or otherwise process visually observed information regarding monitored objects" (para. [0099]). The visual analyzer module 168 may serve "to detect object movement or activity within monitoring scope of certain detector sites" (para. [0099]). The visual analyzer module 168 may compare or correlate observable similarities or differences between initial and subsequent surveillance data, serve object image queries and attempt to recognize, retrieve from image database, or otherwise capture image of person or object associated with target unit 4 (para. [0099]).

In contrast, *Rauber* teaches that a salesperson may "view, at any time, on all RF units and all remote computers 18 or terminals, all items entered on any of the retail orders by entering the retail order's unique assigned number" (col. 8, lines 62-67). Examiner's reliance on *Rauber* is misplaced.

The ability to "view" an item on the computer does not equate to <u>recognizing</u> a digital image or video information nor does it equate to <u>comparing or correlating observable similarities or differences</u> between initial and subsequent surveillance data. Furthermore, the RF barcode scanner 16 does not <u>detect</u> an object's movement for data analysis; rather, it is used to scan and enter machine-readable coded inventory labels (col. 5, lines 9-27; col. 7, lines 45-48). As such, the "visual analyzer module" of independent claim 1 is patentably distinct from *Rauber* (col. 8, lines 62-67).

It should be noted that the burden of establishing a *prima facie* case of obviousness lies with the Patent Office. *In re Fine*, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988) (stating: "The PTO has the burden under section 103 to establish a prima facie case of obviousness"). To establish a prima facie case of obviousness, (1) there must be some suggestion or motivation (either in the references themselves or in the knowledge generally available to one of ordinary skill in the art) to combine the reference teachings; (2) there must be a reasonable expectation of success; and (3) the prior art reference must teach or suggest all the claim limitations. See *MPEP* §§ 2142-43.

We have already demonstrated the inadequacies of teaching the present invention in *Rauber* and under 35 U.S.C. § 103, it would be incumbent upon the teaching of *Woolston* to provide a teaching reference for supplementing the deficiencies of *Rauber*.

The Office Action contends that *Woolston* (920 of fig. 13) discloses a "visual analyzer means" (Office Action, pg. 7). Specifically, the Office Action erroneously concludes that item 920 of fig. 13 recognizes adaptively the identified goods using a neural network or simulation program, whereby the image is generated by the camera 12 and displayed on the display 16 or 28 (Office Action, pg. 7).

Woolston describes fig. 13 as a graphical user interface that illustrates the item 920 and provides a description 922 of the item (col. 15, lines 43-47). The Examiner failed to explain how "item 920" in a graphical user interface is a "visual analyzer module." As explained above, the visual analyzer module 168 recognizes a digital image or video information, compares or correlates observable similarities or differences between initial and subsequent surveillance data and detects an object's movement for data analysis. Additionally, Woolston fails to supplement the other deficiencies outlined above for Rauber.

Therefore, independent claim 1 is patentably distinct from the combined references. Applicant respectfully request that the rejection under 35 U.S.C. § 103(a) be withdrawn.

Claims 2-3, 5-12, 14-16, 18-21 and 23

Claims 2-10, 12-15 depend from claim 1. These claims are patentable from the combined prior art references for the same reasons advanced above with respect to claim 1. Independent claims 11 and 20, and their dependent claims, are patentably distinct from the combined prior art references for the same reasons advanced above with respect to claim 1.

Claims 13, 17, and 22

The Office Action also rejected claims 13, 17 and 22 under 35 U.S.C. §103(a) as being unpatentable over *Rauber et al.* (US 6,182,053) in view of *Woolston et al.* (U.S. Pat. No. 5,845,265) as applied to claims 1, 11 and 20 and further in view of *Durbin et al.* (US 6,039,258).

We have already demonstrated the inadequacies of teaching the present invention in *Rauber* and *Woolston* and under 35 U.S.C. § 103, it would be incumbent upon the teaching of *Durbin* to provide a teaching reference for supplementing the deficiencies of *Rauber* and *Woolston*.

Since claim 13 depends from claim 1, claim 17 depends from claim 11 and claim 22 depends from claim 20, these dependent claims are patentably distinct from the combined prior art references for the same reasons advanced above with respect to claim 1. Applicant respectfully request that the rejection under 35 U.S.C. § 103(a) be withdrawn.

Claim 4

The Office Action also rejected claim 4 under 35 U.S.C. §103(a) as being unpatentable over *Rauber et al.* (US 6,182,053) in view of *Woolston et al.* (U.S. Pat. No. 5,845,265) as applied to claim 1 and further in view of *Kennedy* (US 6,301,480).

Claim 4 depends from claim 1. Hence, claim 4 is patentable from the combined prior art references for the same reasons advanced above with respect to claim 1. Applicant respectfully request that the rejection under 35 U.S.C. § 103(a) be withdrawn.

New Claims 24-38

New independent claims 24, 31, and 35 recite in part some of the same claim limitations of claim 1 that are absent in *Rauber* and *Woolston*. More specifically, claims 24, 31, and 35 recite a first location of an object, a second location of the object, and determining or monitoring object movement. Furthermore, these independent claims include functional limitations patentably distinct from the prior art references, such as "comparing data of an object identifier with the data of the

Docket No.: 078700.110102

Application No.: 09/823,509

object detected" and "determining object movement from the first location provided by the detector

and a time monitored at the first location, and the second location provided by the sensor and a time

monitored at the second location". Hence, claims 24, 31, and 35 are patentably distinct from the

combined prior art references.

The new dependent claims are believed allowable for at least the reasons discussed above for

independent claims 24, 31, and 35.

In light of the above amendment and remarks, applicant respectfully submits that all the

claims remaining in the application are allowed or allowable, and respectfully requests that the

application be passed to issue. Should any residual matters left to be resolved, the Examiner is

invited to contact the undersigned agent at 602-445-8339 (office) at her convenience.

The Director is authorized to charge any additional fee(s) or any underpayment of fee(s), or

to credit any overpayments to Deposit Account Number 15-0184. Please ensure that Attorney

Docket Number 078700-110102 is referred to when charging any payments or credits for this case.

Date: September 11, 2007

Respectfully subpritted

Bruce T. Neel

Reg. No. 37,406

Customer Number 33717 GREENBERG TRAURIG, LLP

2450 Colorado Avenue, Suite 400E

Santa Monica, CA 90404

Fax:

Phone: (602) 445-8339 (602) 445-8100

email: neelb@gtlaw.com

17